

FISCAL NOTE

Bill #: SB0247

Title: Establish default electricity supply procurement process

Primary Sponsor: Cobb, J

Status: As Amended in House Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$247,520	\$247,520
Revenue:		
State Special Revenue	\$247,520	\$247,520
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. This bill requires the Department of Public Service Regulation (PSC) to process a default supplier's procurement plan at least every two years, more frequently if there is any material change in conditions under which the plan was developed. Given the immaturity of wholesale electricity markets and based on experienced volatility in wholesale electricity markets, it is expected two requests by the default supplier for advanced approval of proposed resource procurement will be processed.
2. This bill requires the PSC to process requests by a default supplier for advanced approval of proposed resource procurement in 180 days. A standard PSC-contested case proceeding routinely requires 270 days. In order to satisfy the 180-day requirement, the PSC will contract with two consultants at a cost of \$140 per hour and the consultants will work an average of 34 hours per week during any 180-day period. (1,768 consulting hours per filing x \$140 per hour = \$247,520 x 2 filings per biennium - \$495,040 fiscal impact per biennium)
3. If this bill passes, the PSC requests that this \$495,040 be a biennial appropriation.
4. The costs associated with passage of this bill would be used in rate calculations; therefore, there would be no negative impact to the fund balance.

Fiscal Note Request SB0247, As Amended in House Committee
(continued)

FISCAL IMPACT:

Public Service Commission	FY 2004	FY 2005
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u> (biennial appropriation)		
Operating Expenses	\$247,520	\$247,520
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$247,520	\$247,520
<u>Revenues:</u>		
State Special Revenue (02)	\$247,520	\$247,520
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$0	\$0